



PASADENA ECONOMIC DEVELOPMENT CORPORATION
Pre-Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
April 25, 2019, 3:01 p.m.
Minutes

Members present:

Steve Cote, President
Rick Lord, Vice President
Emilio Carmona, Secretary
Marilyn Wilkins, Treasurer
Steve Phelps
Ernesto Paredes
Salvador Serrano, Jr.

Members Absent:

Others Present:

Jeff Moore, Brown & Hofmeister, LLP
Carlos Guzman, Pasadena EDC Executive Director
Rick Guerrero, Pasadena EDC Manager
Suzette McDowell, Pasadena EDC Marketing Manager
Robin Green, Public Works Director
Sheena Salvino, EDC Redevelopment Manager
Karina Tomlinson, PEDC Assistant Secretary

Call to Order

The Pre-Board meeting for the April 25, 2019 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 3:01 p.m. by President, Steve Cote.

(6) Presentations

- a) Ethics/Open Meetings Act/Permissible Projects – Jeff Moore will be presenting during meeting.
- b) FY2020 Budget – Carlos Guzman will present this item after Item 7, the Financial Status Report.

(11) Board Action – Resolutions

- a) Consideration to approve the Financial Report of Investment Activities for the Fiscal Quarter ended March 31, 2019.

- b) Consideration to authorize Staff to approve and award a contract for the demolition of the High Rise Building at 1001 Southmore Avenue (CIP# M039) to D.H. Griffin of Texas, Inc., lowest responsible bidder, in the amount of \$748,000.00, with a contingency of \$74,800.00 for a total appropriation of \$822,800.00.
- Steve Cote added some comments about the second and lowest bid and asked to make sure that next time there is not so much of a grey area, perhaps another process?
 - Steve Phelps added that he agrees and added that reasonable people can look at different sections of the report and interpret them certain ways.
 - Rick Lord asked Robin what the process is and added that the County has 5 people that are part of a purchasing group. Robin responded that this was an RFP and there was an evaluation grid with categories that were weighted and evaluated differently. Rick asked once the matrix is done who makes the decision? Robin responded that the score is evaluated and sent to a consultant for a recommendation and in this case, it was to go with Griffin.
 - Steve Phelps asked who did the matrix. Robin stated he thinks it was Robby Lyde, and Robby followed up by stating it was Jason Binford's company and them and that they were focused on the technical specifications of the job and they did the evaluation. He went over some of the criteria that was reviewed and how they came to the final recommendation.
- c) Consideration to authorize Staff to negotiate and execute an agreement for professional and consulting services with Loflin Environmental Services, Inc. for the High Rise Building at 1001 Southmore Avenue (CIP# M039) in the amount of \$22,250.00.
- Marilyn asked if they are reviewing the accuracy of remediation done at the building prior to demolition? A representative from Loflin responded that this is the air monitoring that will be happening the day of the implosion and then the segregation. It will be segregated for 60 days and per federal law, this will be done each day that there is work being done.
- d) Consideration to authorize Staff to negotiate and execute an agreement with ERC Environmental and Construction Services, Inc. to provide project management services for demolition of the High Rise Building at 1001 Southmore Avenue (CIP# M039) in the amount of \$48,000.00.

(12) Executive Session

- There will be no executive session today.

Pre-Board Meeting Adjourned at 3:08 pm.

PASADENA ECONOMIC DEVELOPMENT CORPORATION
Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
April 25, 2019, 3:08 p.m.
Minutes

Agenda Item One: Call to order, roll call.

The Board meeting on April 25, 2019 for Pasadena Economic Development Corporation was called to order at 3:08 pm by President, Steve Cote.

Agenda Item Two: Invocation.

Invocation given by Steve Phelps.

Agenda Item Three: Pledge of Allegiance.

Pledges led by Emilio Carmona., Board Secretary.

Agenda Item Four: Approval of Minutes

Chairman, Steve Cote called for a motion to approve the minutes from the meeting held on April 25, 2019. Ernesto Paredes moved to approve the minutes, seconded by Marilyn Wilkins, MOTION CARRIED UNANIMOUS.

Agenda Item Five: Public Comments

No public comments were given by those in attendance.

Agenda Item Six: Presentations

- a. Ethics/Open Meetings Act/Permissible Projects - Jeff Moore, Brown & Hofmeister, LLP:
Steve Cote asked since all but 1 Board Member were reappointed if the Open Meetings Act training is required to which Jeff stated only Salvador will be required to take it as a new member. All other Board Members do not. Steve stated that Jeff is presenting this subject matter as a Best Practice for the new Board. Jeff presented to the Board and touched on several items including conflicts of interest, Open Meetings Act, Civil and Criminal Penalties and finally Type B Sales Tax Permissible Projects. During the review of Conflicts of Interest Marilyn asked if a Board Member does business with a company and then that company has a project come before the Board that if it is a good precaution to recuse themselves from knowing anything about that project? This question was brought up because of an occurrence of this at one of the past Board meetings in which she and Steve Cote decided to err on the side of caution and recuse themselves from any discussion about a project being brought to the Board for a company that each of them had a separate connection to. Jeff went over an additional example and stated that it is always the safest and best approach to abstain from voting and discussing when this happens. During his review of the Open Meetings Act Jeff reiterated that the act applies when there is a quorum gathered and public business is being discussed; however, it does not apply to social functions

provided that no business is being discussed. He also went over Executive Sessions in general and the specific statutes that are most commonly used. Steve Phelps asked how specific the notice has to be on the Agenda. Jeff stated that most cities will quote the statute, but that if more than 1 item is being discussed that it is best practice to give each project a code name so that each one can be listed. For real property, citing the property location could affect your bargaining position so some communities will give a general area, which he thinks is fine, but not required. He stated the more specificity the better, but as far as the Open Meetings Act it just states that you need to give the subject matter of the discussion and citing the section and stating for example that we're going into Executive Session to discuss acquisition of real property would be sufficient. You wouldn't want to give too much because that could affect your bargaining position. He also reviewed some Civil and Criminal Penalties and provided some examples of them. Ernesto Paredes asked if legislature was trying to appeal the decision regarding the Conspiracy to circumvent the act by meeting in numbers less than a quorum or rewrite it. Jeff stated that legislature was grappling on how to write the statute to give you a bright line on when it's a violation. He stated he would follow up and pass any information along. Next, he went over Permissible Projects and added that under the Development Corporation Act you can do projects, job training and you can do promotion. The statute provides you must have a performance agreement with the business enterprise. He went over several provisions and reiterated that Infrastructure Improvement Projects are limited. Ernesto Paredes asked if improvements regarding streets and roads included sidewalks to which Jeff responded that it could, but nowadays with ADA, they might have to put a sidewalk adjacent to it and the cost definition within this statute is where sidewalks would fit. The next slide covered promotional activity. The Development Corporation Act does not define promotional activity, which is kind of a problem, but the statute says you can spend 10% of the revenues for promotional purposes. There is an AG Opinion, which was for the City of Hutto where the Mayor wanted to build the world's largest fiberglass hippo. Lastly, he covered the expense of sales tax proceeds for job training classes that has to be through a business enterprise and they have to commit in writing to increase their payroll or create new jobs that pay the prevailing wage for that occupation. A City staff member then asked what constitutes adequate notice of a meeting? Jeff stated the notice has to be posted 72 hours prior, but that it must be posted in a place accessible to the public 24 hours a day. Under the Open Meetings Act, it is sufficient posting. The statutes define posting for City's, but not EDC's. Some EDC's are not housed at a City Hall so for them they post at City Hall Bulletin Board and in the building where they are housed. Another question was asked if a member of the public could videotape or live stream a meeting. Jeff stated that the Open Meetings Act states that as a Board or a Council we can only decide where that equipment or camera can be placed.

- b. FY2020 Budget – Carlos Guzman, PEDC Executive Director: This item will be discussed following the Financial Status Report by Tammy Lehew (Item 7.)

Agenda Item Seven: Financial Status Report by Tammy Lehew of City Controller's Office

This snapshot is as of March 31, 2019. Your operating budget that is housed in Fund 9949 you budgeted 9.7M and you have 2.2M encumbered for specific purposes. You've spent about 1.6M leaving a balance of about 5.8M. Since we're halfway through the year it's looking pretty good. The 9950 used on Capital Project funds you've got 53.7M in cash. 41.3M are for specific CIP projects listed on the second page. You still have to subtract the 5.8M from the Operating Budget which leaves a fund balance of about 6.5M. Fund 9960 was the Vista Road improvements, which is complete, and Robin has found a use for the balance of \$29k left. Fund 9965 is for the Richey Street improvements, which is ongoing. Fund 9966 was for the Fairmont Watermain Phase I which is complete and has a balance of \$55k that Robin has found a use for as well.

Item 6b – FY2020 Budget was presented by Carlos Guzman at this time: At this time, he is requesting input and suggestions from the Board. This will be approximately a 3-month process. He provided a quick recap of PEDC's type B funding highlighting that PEDC's budget is approved by City Council each year. This is the first opportunity for EDC budget to fully reflect ED Strategic Plan. For this year, we have marketing and redevelopment managers and there are opportunities for us to build on the operating budget. There will be more opportunities for input in the upcoming meetings. He provided a recap of the Strategic Plan goals and then went through several goals and items to consider for implementation. Some of those were the community branding and wayfinding initiatives. Suzette provided a brief summary of the Community Branding immersion tour and some of the discussions that were had during the 3 days DCI was in Pasadena. Some examples included increase in advertisement, increase in PR efforts and the possibility of an Ambassador Program to increase internal brand awareness. Carlos added that to truly implement the wayfinding there will be some requests for funding and went over the steps for completion. No increase in the overall funding will be requested for Business Development. Staff will ramp up attendance at key trade shows and missions and continue to refine and narrow target industry recruitment targets. With regard to Workforce, the strategic plan calls for EDC to play a supportive role. Focus areas are to leverage San Jacinto College and its new Petrochem Center as well as a stronger engagement with UH Clear Lake and Pasadena ISD. Next, he discussed Catalyst projects including the Macro Plaza Mall, the Convention Center which will require additional funding in anticipation of legal and consulting fees should the project proceed. For investment corridors, he anticipates needing to reallocate resources in CIP to fund projects on Pasadena Blvd., Fairmont and Shaw St. The 5th goal – Tourism and Retail staff will be working with a developer to evaluate a Crystal Lagoon and mid luxury resort and evaluate the potential creation of a Pasadena Convention and Visitors Bureau; continuing implementation of Community Brand; a historic trail in Historic Pasadena and continue to promote retail projects in key areas. Goal 6 – Proposed Projects for Structure Support, which include policy evaluation to support redevelopment such as the permit process that Staff will be working on. The Business Enhancement Program that was just approved will be focused on because there is a lot of opportunities. We will continue to evaluate the potential benefit of establishing a TIRZ which if the Crystal Lagoon is asking for if it comes through. Steve Cote added that both the Mall and the Crystal Lagoon group have asked for a TIRZ. Next, he went through the Operating Budget and noted that major budget line items to consider are Print & Advertising and Professional Services. Staff is seeking Board input before making final recommendations. Lastly, he went over the CIP Current projects and stated there are 4 projects that we will be requesting additional funding for including Pasadena Blvd. Phase 1, Utility Development, Traffic Mobility Improvements and lastly Historic Pasadena Redevelopment. Marilyn Wilkins asked that if her business is on Pasadena Blvd. would that be an item she would recuse herself from? Jeff answered that it would be a

good idea. Some proposed New Projects include Shaw Street Phase 2, Pasadena Blvd. Phase 2 and Fairmont. Steve Cote added that something worth entertaining that he's seen other Cities do is a comprehensive land plan that would lay out a complete land plan for all of Pasadena and identifying resources and everything throughout the City and maybe try to be more strategic as to areas of focus and what is key for those areas. This could help our planning, our budgeting and our longer term CIP. He then asked Sheena what other things there are that could help. Sheena provided more details regarding what a complete land plan consists of and how in depth it can be. Ernesto Paredes then asked what happened with the TIRZ and Carlos responded that it has been put on hold, but that if the Crystal Lagoon moves forward that we will need to work with City staff to see how it can be structured. Ernesto added that we need to keep moving forward and that he likes what is being presented. Finally, Carlos recapped the FY 2020 Budget and asked Board Members for input and feedback. Rick Lord asked who makes the reports on new investment programs for Municipalities? There is a lot of legislation out there trying to do things so he'd like to know who would be evaluating everything in the session to see if there are new options, is it legal or the EDC? Jeff stated that he will have a better idea of what is passed in May and many Bills will go into effect around June 15th. He did mention that there has been a lot of negative bills filed this session.

Agenda Item Eight: Project Status Update from Robin Green, Director of Public Works

Robin Green stated that nothing happened in the last 2 weeks.

Agenda Item Nine: Report by Carlos Guzman, Executive Director

Carlos stated that the Marketing Manager, Suzette McDowell would be giving a Marketing Update instead of him giving his report.

Suzette began by going over the initiatives she's been focusing on which were first the launching of the community branding; a heavy focus on digital media; website refreshing and driving traffic; getting the internal brand up to speed; and identifying platforms for advertising. She then provided a quick review of the growth on Social Media and elaborated on our Facebook growth reminding the Board about some trial periods of social advertising she started a few months ago. Half of the followers have been generated through a campaign that she has been running. There are also some campaigns driving traffic to our website as well by advertising some of the specific tools that we offer. From a cost standpoint, it has been very minimal with roughly \$500 being spent on social advertising. For the website, traffic there has seen a 72% increase. A user experience testing will begin soon to aid in changes. Some other things that she's been working on are print and advertising initiatives starting with the development of initial collateral for PEDC that include items used in the day to day operations such as letterhead, business cards, etc. The development of the first annual report which should be completed soon and she reiterated that typically those are completed at the beginning of Q2 so we are on target. She has also been working on the design of advertising for upcoming publications and identifying advertising initiatives as well as best practices for economic development. Moving forward there will be a revamping of pasadenaedc.com; heavy focus on social advertisement now that the trial period and proof concept is completed; the development of standard ED collateral to be used for tradeshow, site selectors, client visits, etc. The completion of the community branding in Q2 of this year and the implementation of such as well as identifying any additional advertising and brand awareness avenues that they

might recommend. The plan is to provide a marketing update every quarter as opposed to every month so that the changes will be more notable.

Carlos wrapped up by inviting everyone to Randy Drake's celebration of life and upcoming events.

Agenda Item Ten: Board Action – Resolutions.

- a. **PEDC RESOLUTION 19-015** – Consideration to approve the Financial Report of Investment Activities for the Fiscal Quarter ended March 31, 2019.

Marilyn Wilkins made a motion to approve the financial report of investment activities, seconded by Rick Lord that PEDC Resolution 19-015 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PEDC RESOLUTION 19-016** – Consideration to authorize Staff to approve and award a contract for the demolition of the High Rise Building at 1001 Southmore Avenue (CIP# M039) to D.H. Griffin of Texas, Inc., lowest responsible bidder, in the amount of \$748,000.00, with a 10% contingency of \$74,800.00 for a total appropriation of \$822,800.00.

Ernesto Paredes made a motion to authorize Staff to approve and award a contract for demolition to D.H. Griffin of Texas, Inc., seconded by Marilyn Wilkins that PEDC Resolution 19-016 be passed, approved and adopted. Steve Phelps voted nay on the item. MOTION CARRIED.

- c. **PEDC RESOLUTION 19-017** - Consideration to authorize Staff to negotiate and execute an agreement for professional and consulting services with Loflin Environmental Services, Inc. for the High Rise Building at 1001 Southmore Avenue (CIP# M039) in the amount of \$22,250.00.

Emilio Carmona made a motion to authorize Staff to negotiate and execute an agreement with Loflin Environmental Services, Inc., seconded by Ernesto Paredes that PEDC Resolution 19-017 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- d. **PEDC RESOLUTION 19-018** - Consideration to authorize Staff to negotiate and execute an agreement with ERC Environmental and Construction Services, Inc. to provide project management services for demolition of the High Rise Building at 1001 Southmore Avenue (CIP# M039) in the amount of \$48,000.00.

Ernesto Paredes made a motion to authorize Staff to negotiate and execute an agreement with ERC Environmental and Construction Services, seconded by Emilio Carmona that PEDC Resolution 19-018 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

Agenda Item Eleven: Comments by Board Members.

Rick Lord – No comments, but stated he will be unable to attend on Sunday and to please give his condolences to the family.

Salvador Serrano, Jr. – No comments.

Marilyn Wilkins – Stated it was bittersweet to vote yes on the demolition of the bank.

Emilio Carmona – No comments

Ernesto Paredes – Commented that Carlos and staff are doing a good job staying on top of everything behind the scenes.

Steve Phelps – Wanted to echo Marilyn’s comments. He ran into someone the day before and they started talking about how all these people leading banks started there. Also wanted to echo both Rick and the Chairman’s comments on coming up with a plan on the selection process. He thought it was a great idea.

Steve Cote – Added a few words about the bank building going down and being able to see it from Downtown, but this is progress so that’s what is going to happen.

Agenda Item Twelve: Executive Session

****NOTE** - No Executive Session was conducted.**

- a. Convene in executive session pursuant to Section 551.087, Texas Government Code to deliberate regarding economic development negotiations for Business Attraction/Retention Projects.
- b. Convene in executive session pursuant to Section 551.072, Texas Government Code to deliberate the purchase, exchange, lease or value of real property – Project #1901.
- c. Convene in executive session pursuant to Section 551.072, Texas Government Code to deliberate the purchase, exchange, lease or value of real property – Project #1902.

Agenda Item Fourteen: Reconvene into Regular Session

****NOTE** - No Executive Session was conducted.**

The Board will reconvene into Regular Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, to take any action necessary regarding:

- a. Deliberation regarding economic development negotiations for Business Attraction/Retention Projects.
- b. Deliberation regarding economic development negotiations for Business Attraction/Retention Projects – Project #1901.
- c. Deliberation regarding real property – Project #1902

Agenda Item Fifteen: Adjournment.

President, Steve Cote called for a motion to adjourn the April 25, 2019 meeting at 4:27 pm. Emilio Carmona moved, seconded by Marilyn Wilkins. MOTION CARRIED UNANIMOUS.